

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Conference Call Meeting of the Board of Trustees

January 21, 2015 – 8:30 a.m.

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employer Representative (term expiring July 1, 2016) - via telephone

THOMAS GOLONKA, Employer Representative (term expiring July 1, 2016) – via telephone

PETER AMONS, Employee Representative (term expiring July 1, 2016) – via telephone

DAVID ROWLEE, Employee Representative (term expiring July 1, 2014) – via telephone

ELIZABETH PEARCE, Vermont State Treasurer

Board members absent:

None

Also attending:

Laurie Lanphear, Director of Retirement Operations

Joshua McCormick, assistant to Tina Kaweck

The Chairperson, Steven Jeffrey, called the Wednesday, January 21, 2015, conference call meeting to order at 8:30 a.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: VMERS Contribution Rates

Ms. Pearce spoke about the new proposed VMERS contribution rates. She stated that she did speak with ASCME, firefighters, and NEA. The board has the authority to adopt the new employer rates, but the employee rates have to be set by the legislature.

Employer Rates:

Group A will have no change; it will remain at 4%. Group B will increase from 5.375% to 5.5% effective 7/1/15. Group C will increase with a 2 prong approach. It will increase from 7.0% to 7.125% on 7/1/15, then effective 1/1/16, group C will increase from 7.125% to 7.25%. Group D will increase from 8.75% to 9.85% effective 7/1/15.

Employee Rates:

Group A will have no change and will remain at 2.5%. Group B will increase from 4.75% to 4.875% effective 7/1/15. Group C will increase with a 2 prong approach. It will increase from 9.75% to 9.875% on 7/1/15, then effective 1/1/16, group C will increase from 9.875% to 10.0%. Group D will increase from 11.25% to 11.35% effective 7/1/15.

On motion by Mr. Golonka, seconded by Mr. Amons, the Board unanimously voted by roll call to adopt the employer contribution rates and to recommend to the legislature to adopt the employee contribution rates as proposed on the printout provided by the chair and treasurer.

ITEM 2: IRS Determination Letters

Ms. Pearce stated to the board that the treasurer's office received an IRS determination letter stating that the municipal system was favorably received and in good stead through 1/31/19 as long as 2 conditions were met.

First – for distributions made after 12/31/2009, a non-spouse beneficiary who's a designated beneficiary under section 401A9 of the code may establish an individual retirement account in to which all or a portion of a death distribution from the retirement system to which such non-spouse beneficiary's entitled can be transferred directly.

Ms. Lanphear stated up until now, spouses were able to rollover the distribution into another account. This new provision allows non-spouses to be able to do the same thing.

Second – the survivor of a member who dies after 12/31/06 while performing qualified military service shall be entitled to any additional benefits other than benefit accruals related to the period of qualified military service that would have been provided under the plan had the member resumed employment and then terminated on account of death.

Ms. Lanphear stated that the retirement office was already doing this provision

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board unanimously voted by roll call to approve the changes to the municipal system pursuant to the IRS determination letter as presented today.

ITEM 6: Any other business to come before the board

none

ITEM 7: Adjournment

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board unanimously voted by roll call to adjourn at 8:47 a.m.

Next Meeting Date:

None at this time.

Respectfully submitted,

Tina Kaweck
Secretary to the Board